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4 March 1948

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MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Progress Report of the Executive for Inspection and Security for the Month of February 1948.

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I. PROGRESS FOR FEBRUARY**A. Status of Security within CIA**

1. Interim measures have been established for the investigation of CIA personnel cases as a result of the withdrawal of the FBI investigative facilities as of January 1, 1948. Limited facilities do not permit full service as rendered by the FBI, however, it is believed that the present system may be adequate to meet this problem on a temporary basis. It is too early to determine whether or not the existing service will be sufficient to maintain the investigative case load on a current basis or whether additional means must be employed.

2. The Disaster Plan for CIA buildings has been placed into effect through the issuance of instructions and meetings with Emergency Officers of CIA, Police officials, Military police, FBA, and the Fire Department. The basic program has been set in motion and the necessary instructions set forth. The plan, however, requires considerable development within each area of CIA for evacuation of buildings, protection of highly sensitive material, and instructions within each area to personnel for the final implementation of the Disaster Plan. The Physical Security Division will follow up with each area of CIA to make certain that detailed implementation of the Disaster Plan is established and the responsibilities of the appropriate officials are outlined.

3. There is an increase of three in the number of security violations occurring during the month of February, for a total of 18 violations. Ten of the 18 violations occurred in ORE, and this problem has been discussed with ORE as to ways and means for reducing the number of violations. The remainder of the Agency showed considerable improvement in the reduction of security violations.

B. Accomplishments and Activities during February 1948**4. Investigations Division**

a. Arrangements have been made with the Federal Bureau of Investigation for expeditious handling of name check requests and for the furnishing of security investigative information of special interest to this Agency.

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Cases in process in FBI as of end of month	2
Cases under investigation by facilities other than FBI	71
Cases in process in I & S as of end of month	<u>191*</u>
TOTAL CASES IN PROCESS as of end of month	264

* This is a rotating figure which includes 4 completed applicant cases awaiting appraisal. All will have been appraised within 1 working day. It also includes 100 low priority cases concerning reinvestigations of persons on duty. This figure also includes 43 cases in which the FHS's are receiving pre-investigation action.

(2) Name Checks for Contact Branch

(a) Number pending last day of previous month	150
(b) Number requests received during month	363
(c) Number completed during period	474
(d) Pending	19

(3) Name Checks for other than those for Contact Branch

(a) Number pending last day of previous month	268
(b) Number requests received during period	189
(c) Number completed during period	84
(d) Pending	373

(4) Number of Exit Interviews conducted, and interviews with employees leaving Wash., D. C., or having a temporary break in actual employment 24

6. Physical Security Division

a. A security survey has been conducted with a view to establishing a greater degree of security control and to provide adequate measures for fire prevention.

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c. A number of conferences were held with representatives of the Map Intelligence Branch, ONE, for the purpose of refining security practices of that operation. Excellent progress has been made and, among other things, 40 mail sacks of obsolete classified material were disposed of during the first week of the month.

d. Special arrangements were made for the safeguarding of IBM machine operations of the Reference Center in "M" Building to provide greater security without impairing operational efficiency.

e. Five meetings were conducted with the Metropolitan Police, Fire Department, Military Police, P.B.A., Emergency Officers, Duty Officers and Services Branch, for the implementation of the Disaster Plan.

f. Four security indoctrination classes were conducted during the month of February for 63 newly assigned personnel.

g. Security violations for the month of February are indicated as below:

OFFICE	EXPOSED CLASSIFIED MATERIAL		OPEN SAFES	TOTAL
	Top Secret	Secret & Confidential		
*Dir. Off.	0	1	0	1
Gen. Counsel	0	0	0	0
ICAPS	0	0	0	0
AAM	0	0	0	0
I&S	0	0	0	0
OCD	0	0	0	0
ONE	0	6	4	10
O-O	0	0	2	2
OSO	0	0	6	6
Totals	0	7	12	18

*Violation occurred the night of January 31, 1948.

It should be noted that there was considerable improvement throughout the Agency in the reduction of security violations, with the exception of one area. Special attention has been devoted to this area for the purpose of reducing the number of violations.

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h. During the month of February the Security Section made the following changes in safe operations:

<u>Combinations Changed</u>	<u>Secondary Repairs Made</u>	<u>Major Repairs Arranged for</u>
179	57	7

1. Security Section performed the following indoctrination activity and handling of pass control:

<u>Preliminary Indoctrination, Fingerprinting, photo- graphing, Secrecy Agreement (Including OSO)</u>	<u>Regular Badges Made and Issued</u>	<u>Limited Passes Made and Issued</u>	<u>Regular Badges Destroyed</u>	<u>Limited Passes Destroyed</u>
100	118	2	38	2

6. Inspection and Audit Division

a. An inspection report was completed and distributed covering the handling and security of CIA shipments.

b. An investigation was conducted and report completed covering incident reported by the Department of the Army that a safe had been purchased from WAA by a private firm and upon being opened classified documents were discovered.

c. Continued training, indoctrination and study was conducted by members of the staff of the operations of CIA.

d. A number of discussions were held with appropriate officials to determine the extent and scope of the functions of inspection activities.

e. An audit of Special Funds accounts was initiated during the month by the staff of the Audit Division. The work thus far has been of a mechanical nature and no audit of any expenditure has been made for the purpose of passing judgment on its compliance with regulations. Progress has been positive but slow. Factors retarding progress have resulted from the numerous consolidations, expansions and other changes in accounting classification of salaries necessitated by changes in the Agency's organization; the large number of personnel terminations and lack of adequate information on payroll ledger cards; the substantial number of transfers of personnel between divisions and stations; and a lack of adequate desk and work space for audit personnel and equipment.

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7. Security Control Staff

a. Conference with Civil Service Commission concerning application of the requirements of the loyalty program to CIA.

b. Rendered security opinion concerning ORR proposals for development of Personnel Procurement and external research programs.

c. Reviews made and decisions rendered with respect to 12 requests for permission to deliver lectures, radio addresses, engage in extra-official group activities and writings.

d. Fifteen opinions and policy decisions rendered relative to security in response to inquiries concerning various aspects of CIA operations.

e. The Navy Department Security Manual for Classified Material was reviewed with the result that nothing was noted which appeared to conflict with CIA regulations.

f. Security consideration was given to the proposal to secure subscriptions to foreign periodicals on a cash basis.

g. Prepared an Administrative Instruction describing security procedures for the use of franked and unfranked envelopes by CIA, and forwarded to Executive for A & M for approval.

h. Coordinated and established necessary procedures upon request of the Department of the Army for access to photographic material contained in Reference Center files.

i. Comprehensive survey was conducted regarding security measures concerning USSBS material in the custody of National Archives. Security measures were deemed adequate.

j. Agreement was reached with OCD in interpretation of contact security policy relating to normal working contacts in performing surveys of requirements of non-IAO agencies and simple collection of intelligence information from such agencies to resolve difficulties encountered in collection activities.

k. Sub-liaison contacts were established in U. S. Weather Bureau and the National Bureau of Standards.

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II. PROJECTS AND PLANS FOR MARCH

1. Investigations Division

Consideration being given toward devising card catalog system whereby investigative information can be converted to IBM coding systems.

2. Physical Security Division

Further implementation of the Disaster Plan to establish detailed procedures for each building of CIA.

3. Inspection and Audit Divisions

a. Preparation of a redefinition of the functions of the inspection activities and procedural guide for presentation to the Deputy Director.

b. Carrying out of field inspections in accordance with the order of the Director.

c. Inspection of ORE for indoctrination and training purposes.

d. Continuation of the audit of Special Funds, which will occupy the entire attention of the audit staff.

4. Security Control Staff

a. Establishment of standards and procedures for security clearance of intelligence agency representatives assigned to duty in CIA field offices, in accordance with NSCID No. 7.

c. Continuing study and consideration to the establishment of an integrated plan for the storage of vital CIA documents against the possibility of disaster and provision for necessary reproduction facilities.

d. Establishment of security contacts with the following agencies:

Veterans Administration
U. S. Tariff Commission
U. S. Public Health Service
Library of Congress
National Art Gallery
War Assets Administration
Air Coordinating Committee

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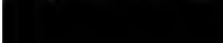
e. Issuance of CIA security policy relating to access to CIA intelligence files by other intelligence organizations.

f. Consideration for security policy concerning social contacts of CIA personnel with foreign officials, aliens and others having established foreign interests.

g. Study will be made of the advisability of constituting a liaison group under the direct supervision of the Executive Director for the purpose of coordinating all liaison and contact arrangements with government agencies.

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Acting Executive for Inspection and Security

CC: Exec. Director
Asst. Dir. ORE
Asst. Dir. OO
Asst. Dir. OCD
Asst. Dir. OSO
Exec. for I & S


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UNITED STATES CIVIL SERVICE COMMISSION
WASHINGTON 25, D. C.

11 March
ER-8352
ADDRESS ONLY
"CIVIL SERVICE COMMISSION"
IN YOUR REPLY REFER TO
FILE LRB:KAF:rs
AND DATE OF THIS LETTER

March 5, 1948

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TO THE CHAIRMEN OF AGENCY LOYALTY BOARDS:

Mr. Seth W. Richardson, Chairman of the Loyalty Review Board, wishes to discuss certain matters with the Chairmen of Agency Loyalty Boards on Thursday, March 11, 1948 at 4:00 p.m. The meeting will be held in Room 778, Apex Building, corner of Pennsylvania Avenue and 7th Street, N. W.

The attendance of the Chairman of the Loyalty Board in each Agency or his representative will be appreciated. If a Board has not yet been established, the Head of the Agency is invited to send his representative.

L. V. Meloy

L. V. Meloy
Executive Secretary
Loyalty Review Board

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